

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 1, line 5, replace "and" with "to provide conditions on appropriations;"

Page 1, line 5, replace "a statement" with "statements"

Page 1, line 5, after "intent" insert "; and to declare an emergency"

Page 1, line 10, replace "biennium" with "period"

Page 1, line 10, replace "July 1, 2019" with "with the effective date of this Act"

Page 1, replace lines 14 through 24 with:

"Salaries and wages	\$19,659,298	\$172,688	\$19,831,986
Operating expenses	58,044,691	11,711,062	69,755,753
Capital assets	124,819,442	56,119,316	180,938,758
Project carryover	274,867,897	33,465,921	308,333,818
New projects	169,782,147	(169,782,147)	0
Water supply - grants	0	128,000,000	128,000,000
Rural water supply - grants	0	37,200,000	37,200,000
Fargo area flood control including the Fargo Moorhead diversion	0	66,500,000	66,500,000
Mouse River flood control	0	82,500,000	82,500,000
Flood control projects other than Fargo area flood control including the Fargo Moorhead diversion	0	48,000,000	48,000,000
General water - grants	<u>0</u>	<u>27,093,776</u>	<u>27,093,776</u>
Total special funds	\$647,173,475	\$320,980,616	\$968,154,091
Full-time equivalent positions	93.00	(3.00)	90.00"

Page 2, replace lines 6 and 7 with:

"Line of credit - Bank of North Dakota	\$75,000,000	\$75,000,000
Payoff of outstanding debt	<u>0</u>	<u>25,900,000</u>
Total special funds	\$75,000,000	\$100,900,000"

Page 2, line 11, replace "biennium" with "period"

Page 2, line 11, replace "July 1, 2019" with "with the effective date of this Act"

Page 2, line 14, replace "and new projects" with ", water supply - grants, rural water supply - grants, Fargo area flood control including the Fargo Moorhead diversion, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants"

Page 2, after line 29, insert:

"SECTION 5. CONDITION ON FARGO AREA FLOOD CONTROL LINE ITEM.

The \$66,500,000 appropriated to the state water commission for Fargo area flood control including the Fargo Moorhead diversion in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for Fargo area flood control projects including the Fargo Moorhead area diversion,

and the appropriation of those funds is conditioned on having no other funds appropriated in section 1 being expended on Fargo area flood control including the Fargo Moorhead diversion. This condition does not prohibit the use of funds appropriated for project carryover in section 1 of this Act for Fargo area flood control projects, subject to section 7 of this Act.

SECTION 6. CONDITION ON OTHER SECTION 1 LINE ITEMS. The \$593,320,273 appropriated to the state water commission for salaries and wages, operating expenses, capital assets, water supply - grants, rural water supply - grants, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for salaries and wages, operating expenses, capital assets, water supply - grants, rural water supply - grants, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants, respectively, and the appropriation of those funds is conditioned on the funds not being expended on Fargo area flood control projects including the Fargo Moorhead diversion.

SECTION 7. CONDITION ON PROJECT CARRYOVER FUNDS. The \$308,333,818 appropriated to the state water commission for project carryover in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for project carryover, and the appropriation of those funds is conditioned on having no more than the amount the state water commission approved for Fargo area flood control including the Fargo Moorhead diversion by April 1, 2019, expended from the project carryover funds on Fargo area flood control including the Fargo Moorhead diversion.

SECTION 8. CONDITION ON APPROPRIATIONS. The \$66,500,000 appropriated to the state water commission for Fargo area flood control including the Fargo Moorhead diversion in section 1 of this Act and the amount the state water commission approved for Fargo area flood control including the Fargo Moorhead diversion by April 1, 2019, which amount is included in project carryover funds appropriated in section 1 of this Act, may not be used for any work under Plan B for the Fargo Moorhead diversion project; except for constructing or repairing levees and dikes and purchasing land, easements, and options or rights of first refusal to purchase land, necessary for flood control; until:

1. The federal court injunction on Plan B is modified to allow construction of Plan B to continue;
2. The Congress of the United States appropriates federal funds for construction of Plan B;
3. The state engineer approves the mitigation plan for Plan B;
4. The office of state engineer issues all necessary permits the state engineer requires for Plan B; and
5. The Minnesota state legislature appropriates funds for construction of Plan B."

Page 3, replace lines 7 through 16 with:

"SECTION 10. FARGO FLOOD CONTROL PROJECT DOWNSTREAM IMPACT MITIGATION. The Fargo Moorhead metropolitan flood risk management project operations may not cause a downstream federal emergency management agency accredited flood protection system in North Dakota to lose its accreditation. The metropolitan flood diversion authority shall take reasonable measures to mitigate downstream impacts to accredited flood protection systems, existing as of April 1, 2019, located in North Dakota bordering the Red River resulting from the operations of the Fargo Moorhead diversion. For purposes of this section, negative downstream impacts to accredited flood protection systems are caused when the water surface profile passing through such systems is raised by more than one-tenth of one foot for the one hundred year event or when the ability of the accredited flood protection system to protect against a two hundred year or five hundred year event is compromised. The metropolitan flood diversion authority shall collaborate with the state engineer and accredited flood protection systems in North Dakota to implement this requirement.

SECTION 11. LEGISLATIVE INTENT - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING. Except for funding provided during bienniums prior to the 2017-19 biennium, it is the intent of the sixty-sixth legislative assembly that the state provide no more than \$193,000,000 of state funding for Mouse River flood control projects within the city limits of Minot. It is the intent of the sixty-sixth legislative assembly that the \$193,000,000 be made available during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums. It is the intent of the sixty-sixth legislative assembly that of the \$193,000,000, the state provide \$57,713,284 during the 2017-19 biennium and that the \$135,286,716 yet to be designated by the state for the Mouse River flood control projects, within the city limits of Minot, be provided during the 2019-21, 2021-23, and 2023-25 bienniums.

SECTION 12. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT - APPLICATION. It is the intent of the sixty-sixth legislative assembly that the state water commission provide, in the form of a grant, up to \$13,000,000, to the Garrison Diversion Conservancy District for the Red River valley water supply project, to initiate construction of phase one prioritized project features identified in accordance with subsections 2 and 3 of section 14 of this Act, for the period beginning with the effective date of this Act, and ending June 30, 2021. The Garrison Diversion Conservancy District shall report on a regular basis to the legislative management's water topics overview committee during the 2019-20 interim regarding the progress of the Red River valley water supply project. The provisions of section 13 of this Act do not apply to the funding referenced in this section.

SECTION 13. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT. It is the intent of the sixty-sixth legislative assembly that the state water commission provide no more than \$30,000,000 to the Garrison Diversion Conservancy District for the Red River valley water supply project during the 2019-21 biennium and 2021-23 biennium and that the state funding be provided at a sixty percent state cost-share."

Page 4, after line 27, insert:

"SECTION 16. EMERGENCY. This Act is declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$19,659,298	\$19,833,131	(\$1,145)	\$19,831,986
Operating expenses	58,044,691	43,855,753	25,900,000	69,755,753
Capital assets	124,819,442	147,938,758	33,000,000	180,938,758
Project carryover	274,867,897	308,333,818		308,333,818
New projects	169,782,147			
Flood control - Grants		145,000,000	(145,000,000)	
General water - Grants		35,255,000	(8,161,224)	27,093,776
Rural water supply - Grants		30,000,000	7,200,000	37,200,000
Water supply - Grants		115,000,000	13,000,000	128,000,000
Fargo area flood control			66,500,000	66,500,000
Mouse River flood control			82,500,000	82,500,000
Other flood control projects			48,000,000	48,000,000
Total all funds	\$647,173,475	\$845,216,460	\$122,937,631	\$968,154,091
Less estimated income	647,173,475	845,216,460	122,937,631	968,154,091
General fund	\$0	\$0	\$0	\$0
FTE	93.00	90.00	0.00	90.00

Department 770 - State Water Commission - Detail of House Changes

	Adjusts Funding for Salary Increases¹	Adds Funding for Capital Assets²	Adds Funding for Water Supply - Grants³	Adds Funding for Rural Water Supply - Grants⁴	Removes Flood Control - Grants Line Item⁵	Adds Funding for Fargo Area Flood Control Including the Fargo Moorhead Diversion⁶
Salaries and wages	(\$1,145)					
Operating expenses						
Capital assets		\$33,000,000				
Project carryover						
New projects						
Flood control - Grants					(\$145,000,000)	
General water - Grants						
Rural water supply - Grants				\$7,200,000		
Water supply - Grants			\$13,000,000			
Fargo area flood control						\$66,500,000
Mouse River flood control						
Other flood control projects						
Total all funds	(\$1,145)	\$33,000,000	\$13,000,000	\$7,200,000	(\$145,000,000)	\$66,500,000
Less estimated income	(1,145)	33,000,000	13,000,000	7,200,000	(145,000,000)	66,500,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Mouse River Flood Control ⁷	Adds Funding for Other Flood Control Projects ⁸	Reduces Funding for General Water - Grants ⁹	Adds Funding to Payoff Outstanding Debt ¹⁰	Total House Changes
Salaries and wages					(\$1,145)
Operating expenses				\$25,900,000	25,900,000
Capital assets					33,000,000
Project carryover					
New projects					
Flood control - Grants					(145,000,000)
General water - Grants			(\$8,161,224)		(8,161,224)
Rural water supply - Grants					7,200,000
Water supply - Grants					13,000,000
Fargo area flood control					66,500,000
Mouse River flood control	\$82,500,000				82,500,000
Other flood control projects		\$48,000,000			48,000,000
Total all funds	\$82,500,000	\$48,000,000	(\$8,161,224)	\$25,900,000	\$122,937,631
Less estimated income	82,500,000	48,000,000	(8,161,224)	25,900,000	122,937,631
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² The House increased capital assets by \$33 million to provide additional funding for state-owned water projects within the capital assets line item to provide total capital assets funding of \$180,938,758. The Senate version included capital assets of \$147,938,758.

³ The House increased water supply - grants by \$13 million to provide additional funding for municipal water supply projects to provide a total of \$128 million in the water supply - grants line item. The Senate version included capital assets of \$115 million.

⁴ The House increased rural water supply - grants by \$7.2 million to provide additional funding for rural water supply projects to provide a total of \$37.2 million in the rural water supply - grants line item. The Senate version included capital assets of \$30 million.

⁵ The House removed the flood control - grants line item to specifically identify funding for flood control projects. The Senate version included \$145 million in the flood control - grants line item.

⁶ The House identified \$66.5 million in funding for the Fargo area flood control, including the Fargo Moorhead diversion. The Senate version included funding for Fargo area flood control in the flood control - grants line item.

⁷ The House identified \$82.5 million in funding for the Mouse River flood control project. The Senate version included funding for Mouse River flood control in the flood control - grants line item.

⁸ The House identified \$48 million in funding for flood control projects other than Fargo area flood control, including the Fargo Moorhead diversion. The Senate version included funding for other flood control projects in the flood control - grants line item.

⁹ The House identified \$27,093,776 in funding for general water projects. The Senate version included \$35,255,000 of funding for the general water - grants line item.

¹⁰ The House provided one-time funding of \$25,900,000 in the operating expenses line item to pay off outstanding debt of the State Water Commission. The Senate version did not include this item.

This amendment also:

- Applies conditions on the Fargo area flood control, including the Fargo Moorhead diversion line item, to identify the \$66.5 million appropriated to the State Water Commission in the Fargo area flood control including the Fargo Moorhead diversion line item of the bill, is to be used only for Fargo area flood control, including the Fargo Moorhead diversion, and the appropriation of those funds is conditioned on having no other funds appropriated in Section 1 of the bill being expended on Fargo area flood control, including the Fargo Moorhead diversion. The condition does not prohibit the use of funds appropriated for project carryover for Fargo area flood control projects. The Senate version did not include this section.

- Applies conditions on other Section 1 line items to identify \$593,320,273 appropriated to the State Water Commission for salaries and wages, operating expenses, capital assets, water supply - grants, rural water supply - grants, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants, may be used only for these purposes, and the appropriation of these funds are conditioned on the funds not being expended on Fargo area flood control projects including the Fargo Moorhead diversion. The Senate version did not include this section.
- Applies conditions on project carryover funds to identify \$308,333,818 appropriated to the State Water Commission for project carryover and provides that the funds may be used only for project carryover. The appropriation of these funds is conditioned on having no more than the amount the State Water Commission approved for Fargo area flood control including the Fargo Moorhead diversion by April 1, 2019, expended from the project carryover funds on Fargo area flood control including the Fargo Moorhead diversion. The Senate version did not include this section.
- Applies conditions on the Fargo area flood control, including the Fargo Moorhead diversion line item and funds within the project carryover line item, to limit the use of funds allocated to the Fargo Moorhead flood control project until the project has received a federal appropriation, an appropriation from the state of Minnesota, necessary permits from the State Engineer's office, and federal courts have approved construction on plan B of the project.
- Provides that the Fargo flood control project must not cause a downstream Federal Emergency Management Agency certified flood protection system in North Dakota to lose certification and requires the Fargo Moorhead Diversion Authority to take reasonable measures to mitigate downstream impacts to currently certified flood protection systems in North Dakota bordering the Red River resulting from the operations of the Fargo flood control project.
- Provides legislative intent that the state provide no more than \$193 million of state funding for Mouse River flood control projects within the city limits of Minot during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums and that the state provided \$57,713,284 during the 2017-19 biennium, and the remaining to be designated over the 2019-21, 2021-23, and 2023-25 bienniums. The Senate version did not include this section.
- Provides legislative intent that the State Water Commission provide, in the form of a grant, up to \$13 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project, to initiate construction of Phase I prioritized project features, to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project during the 2019-21 biennium. The Senate version did not include this section.
- Provides legislative intent that the State Water Commission provide, in the form of a grant, up to \$30 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project during the 2019-21 biennium and that the State Water Commission provide state funding at a 60 percent state cost-share after June 30, 2021. The Senate version provided for a grant up to \$50 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project during the 2019-21 biennium and that the State Water Commission provide state funding at an 80 percent state cost-share after June 30, 2021.
- Declares the bill to be an emergency measure. The Senate version did not include this section.